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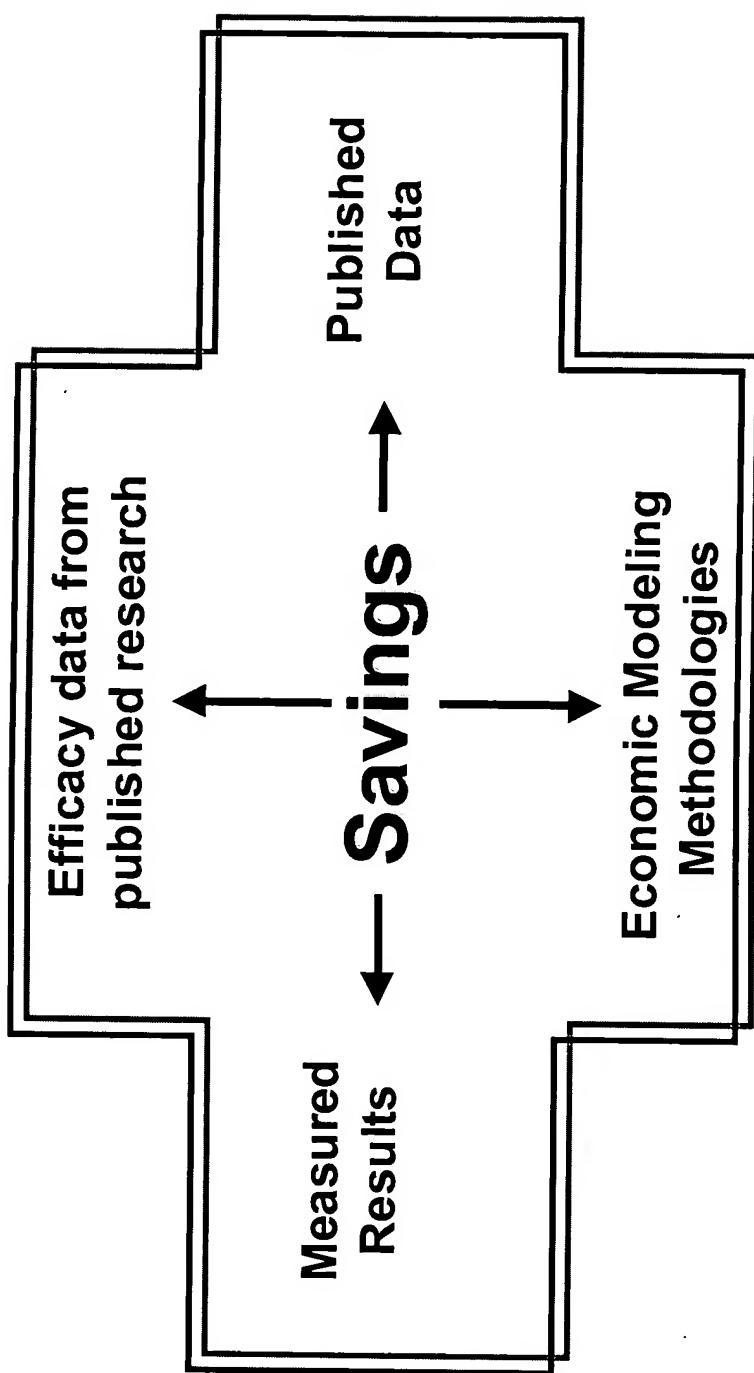


FIG. 1

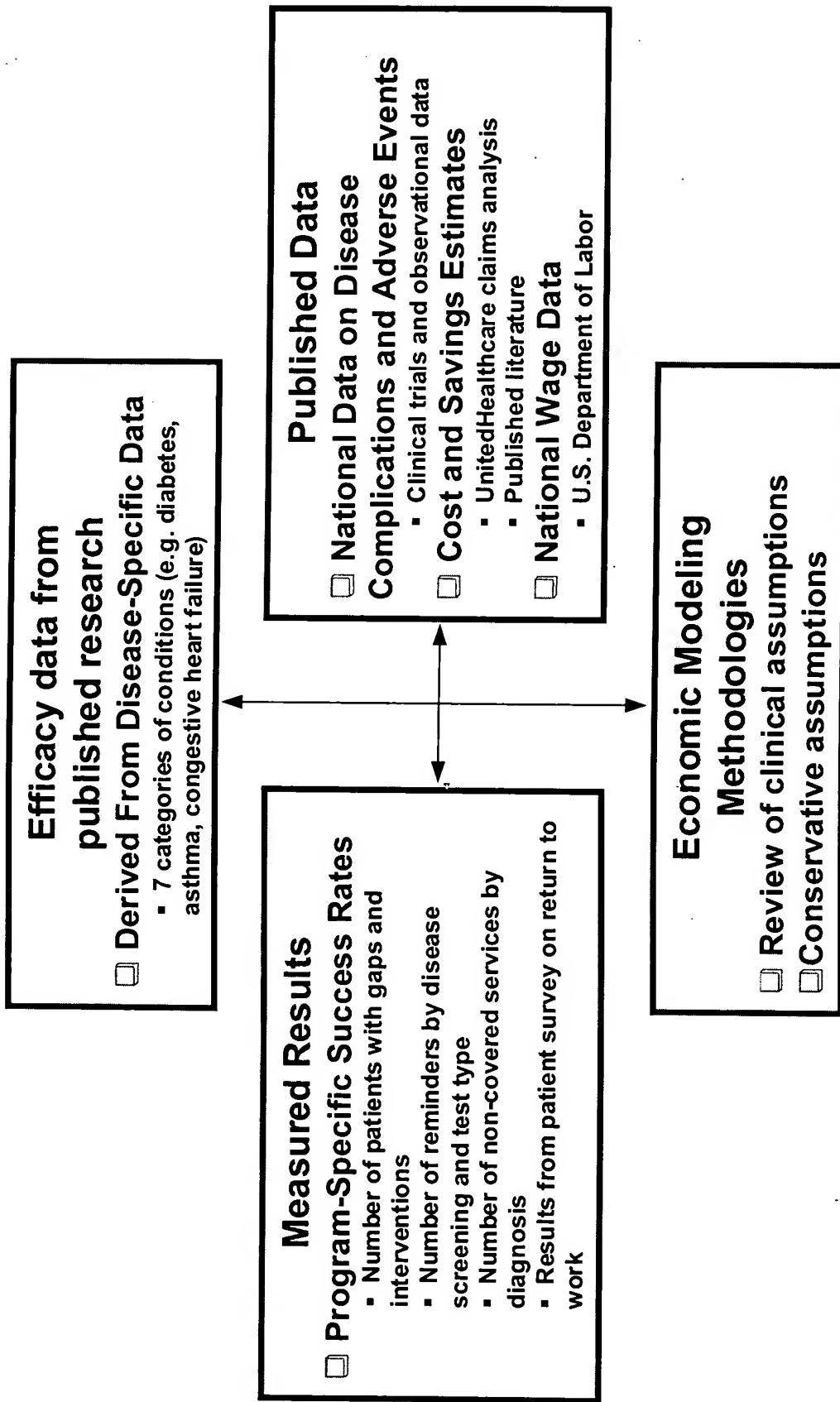
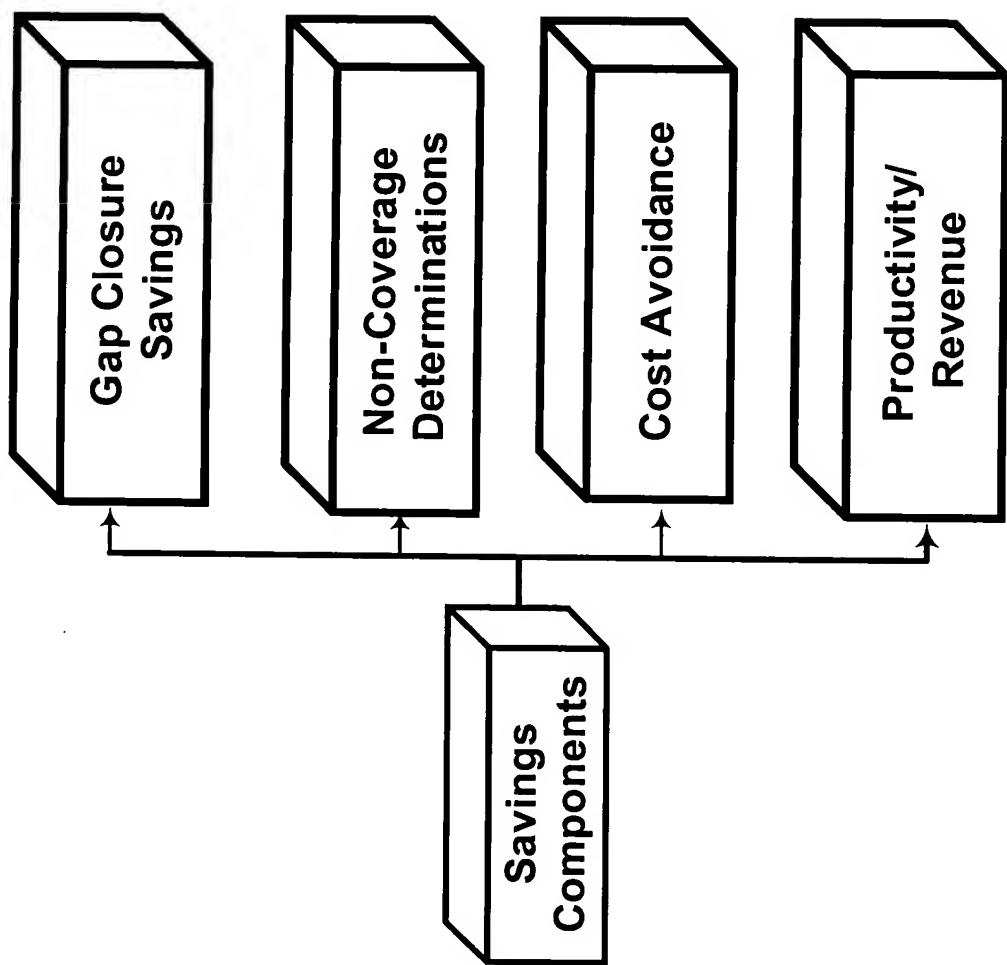


FIG. 2

FIG. 3



Monthly Savings Estimates

Company Enrollees

16,000,000

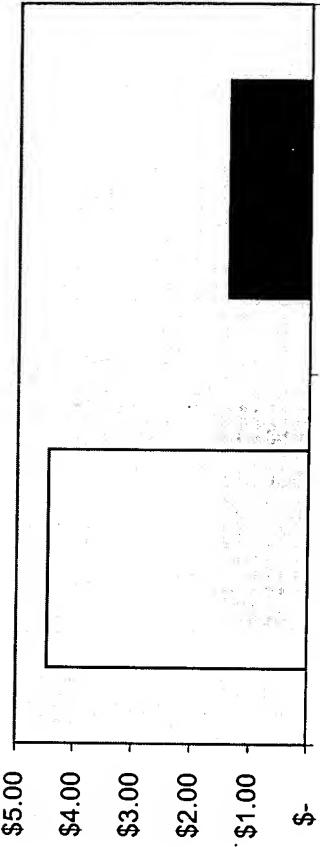
GAP CLOSURE SAVINGS			
	Annual Savings	PM/PM Savings	Monthly Savings
Inpatient	\$ 483,090,873	\$ 2.52	\$ 40,257,568
Outpatient	\$ 24,336,738	\$ 0.13	\$ 2,028,062
NON-COVERAGE DETERMINATION			
	Non-Covered Services	Average Cost/Service	Monthly Savings
Benefit Exclusion	978	\$ 4,043	\$ 5,517,973
Clinical Evidence/Experimental	144	\$ 3,688	\$ 226,851
Durable Medical Equipment	62	\$ 3,705	\$ 183,910
Out of Network Services	20	\$ 5,938	\$ 71,304
Reconstructive/Cosmetic	182	\$ 4,366	\$ 884,613
Reimbursement Policy	27	\$ 3,966	\$ 161,046
Skilled vs. Custodial	34	\$ 4,825	\$ 345,151
	1,447	\$	\$ 7,390,849
PREVENTION: LONG-TERM SAVINGS			
	Number of Reminders	Annual Costs Avoided	Monthly Savings
Cervical Cancer Screening	525,192	\$ 13,293,961	\$ 1,107,830
Diabetes Screenings	119,463	\$ 27,416,690	\$ 2,284,724
Immunizations	20,390	\$ 1,953,722	\$ 162,810
Influenza Vaccine	292,943	\$ 97,130,422	\$ 8,094,202
Mammogram	405,754	\$ 69,664,920	\$ 5,805,410
	1,363,742	\$	\$ 17,454,976
PRODUCTIVITY AND REVENUE			
	Annual Hours Saved	Annual Savings	Monthly Savings
Productivity	934,109	\$ 20,279,506.68	\$ 1,689,959
Revenue Impact		\$ 30,419,260.02	\$ 2,534,938
GRAND TOTAL		\$	\$ 4,224,897
GRAND TOTAL (PM/PM)		\$	\$ 71,356,351
			4.46

Fig. 4

PMPM ROI

3:1

Total PMPM Return	\$ 4.46
Total PMPM Investment	\$ 1.40
Net PMPM Return	\$ 3.06



Program Characteristics

ENROLLEES	16,000,000
PATIENTS SERVED PER MONTH	
Short-Term Gap Closures	116,245
Long-Term Prevention	113,645
Non-Coverage Determinations	1,447
Productivity and Revenue	116,245
TOTAL SERVED*	347,583

*duplicated count

Program Returns	
RETURNS PER MONTH	PMPM RETURN
Short-Term Gap Closures	\$ 42,285,629
Long-Term Prevention	\$ 17,454,976
Non-Coverage Determinations	\$ 7,390,849
Productivity and Revenue	\$ 4,224,897
TOTAL RETURN	\$ 71,356,351

$$\frac{\text{Return}}{\text{Investment}} = 3.19$$

Fig. 5

Short-Term Gap Closures Summary				
Total Health Plan Enrollment		16,000,000		
Total Patients Served		116,245		
	Patients Served Annually	Savings by Service Type	Total Savings by Disease Area	Inpatient Savings by Disease Area
Asthma	2,270			
Savings - Reduced IP Stays		\$ 15,513,620		
Savings - Reduced LOS		\$ 2,068,483		
Savings - Reduced OP Visits		\$ 1,001,580		\$ 17,582,102 \$ 1,001,580
			\$ 18,583,682	
Chronic Renal Failure	862			
Savings - Reduced IP Stays		\$ 2,447,872		
Savings - Reduced LOS		\$ 2,377,933		
Savings - Reduced OP Visits		\$ 1,134,160		\$ 4,825,804 \$ 1,134,160
			\$ 5,959,965	
Congestive Heart Failure	3,072			
Savings - Reduced IP Stays		\$ 4,096,311		
Savings - Reduced LOS		\$ 15,537,732		
Savings - Reduced OP Visits		\$ 212,643		\$ 19,634,043 \$ 212,643
			\$ 19,846,686	
Diabetes	8,798			
Savings - Reduced IP Stays		\$ 12,021,152		
Savings - Reduced LOS		\$ 3,606,345		
Savings - Reduced OP Visits		\$ 316,108		\$ 15,627,497 \$ 316,108
			\$ 15,943,605	
Essential Hypertension	1,839			
Savings - Reduced IP Stays		\$ 231,602		
Savings - Reduced LOS		\$ 231,602		
Savings - Reduced OP Visits		\$ 42,846		\$ 463,204 \$ 42,846
			\$ 506,050	
HIV/AIDS	149			
Savings - Reduced IP Stays		\$ 545,856		
Savings - Reduced LOS		\$ 682,320		
Savings - Reduced OP Visits		\$ 16,372		\$ 1,228,176 \$ 16,372
			\$ 1,244,548	
All Other Conditions	99,255			
Savings - Reduced IP Stays		\$ 211,864,993		
Savings - Reduced LOS		\$ 211,864,993		
Savings - Reduced OP Visits		\$ 21,613,029		\$ 423,729,987 \$ 21,613,029
			\$ 445,343,015	
Total Annual Saving		\$ 507,427,551		\$ 483,090,813 \$ 24,336,738
Total Monthly Savings		\$ 42,285,629		\$ 40,257,568 \$ 2,028,062
PMPM Savings for Gap Closures		\$ 2.64		\$ 2.52 \$ 0.13

FIG. 4

CHRONIC RENAL FAILURE

Number of Chronic Renal Failure Patients Served Annually	862
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ASSUMPTIONS	Inpatient Stays	Inpatient Length of Stay (in days)	Outpatient Visits
Annual Rate of Event	0.3219	8.8000	12,8655
Average Cost Per Event	\$ 25,211	\$ 2,865	\$ 731
Decrease in Event Rate Due to Intervention	35.00%	34.00%	14.00%
EVENTS AND COSTS IF NO INTERVENTION			
Annual Number of Events	277.42	2,441.26	11,088.35
Annual Cost of Events	\$ 6,993,919	\$ 6,993,919	\$ 8,101,145
EVENTS AND COSTS WITH INTERVENTION			
New Rate of Events After Intervention	0.2092	5.8080	11,0643
Annual Number of Events After Intervention	180.32	1,611.23	9,535.98
Annual Cost of Events After Intervention	\$ 4,546,048	\$ 4,615,987	\$ 6,966,985
SAVINGS FROM INTERVENTION			
Annual Savings From Intervention by Category	\$ 2,447,872	\$ 2,377,932.55	\$ 1,134,160

FIG. 7

HIV/AIDS

Number of HIV/AIDS Patients Served Annually	149
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ASSUMPTIONS	Inpatient Stays	Inpatient Length of Stay (in days)	Outpatient Visits
Annual Rate of Event	5.5220	10.1000	3.3765
Average Cost Per Event	\$ 16,549	\$ 1,638	\$ 191
Impact of Intervention (Decrease in Rate of Event)	4.00%	5.00%	17.00%
EVENTS AND COSTS IF NO INTERVENTION			
Annual Number of Events	824.62	8,328.62	504.22
Annual Cost of Events	\$ 13,646,395	\$ 13,646,395	\$ 96,307
EVENTS AND COSTS WITH INTERVENTION			
New Rate of Events After Intervention	5.3011	9.5950	2.8025
Annual Number of Events After Intervention	791.63	7,912.18	418.51
Annual Cost of Events After Intervention	\$ 13,100,539	\$ 12,964,075	\$ 79,935
SAVINGS FROM INTERVENTION			
Annual Savings From Intervention by Category	\$ 545,856	\$ 682,320	\$ 16,372

Fig. 8

COST PER EVENT

	Asthma		Chronic Renal		Congestive Heart		Diabetes		Essential		HIV/AIDS		Other Conditions
	IP Stay	OP Visit	IP Stay	OP Visit	IP Stay	OP Visit	IP Stay	OP Visit	IP Stay	OP Visit	IP Stay	OP Visit	
DEFAULT	\$ 4,861	\$ 146	\$ 25,211	\$ 731	\$ 10,955	\$ 312	\$ 7,814	\$ 164	\$ 3,439	\$ 77	\$ 16,549	\$ 191	\$ 6,855 \$ 240
American Heart Association, 2002;	*	*	*	*	\$ 8,480	*	*	*	*	*	*	*	*
American Heart Association; 2001	*	*	*	*	\$ 6,238	*	*	*	*	*	*	*	*
Cardiology Pre-Eminence Roundtable, 1994	*	*	*	*	\$ 17,831	*	\$ 7,326	*	*	*	*	*	*
HCUP Nationwide Inpatient Sample (NIS), 2000	\$6,879	*	\$ 25,211	*	*	*	*	*	*	*	*	*	*
Munoz, 1988	*	*	\$ 10,514	*	*	*	*	*	*	*	*	*	*
Insurance Company Patient By Condition Report, 2002Q2.	\$3,828	\$ 158	\$106,375	\$ 731	\$ 2,055	\$ 206	\$6,275	\$ 96	\$3,439	\$ 77	\$ 16,549	\$ 191	\$ 6,855 \$ 240
UnitedHealthcare Most Market Data, AHQR Q401	\$4,861	\$ 146	*	*	\$10,955	\$ 312	\$ 7,814	\$ 164	*	*	*	*	*
Weiler DJ, 1995	*	*	*	*	\$ 8,230	*	*	*	*	*	*	*	*

Fig. 9

Average Non-Coverage Determinations Per Month by Care Type Episode Type					
Specific Exclusion	Total Served Per Categor	Patients Served Monthly	Average Cost Per Non-Covered Episode	Total Cost Per Episode Type Per Month	Savings Per Episode Type
Blepherooplasty	978	6	\$ 5,020	\$ 32,128	
DME-large (e.g. hot tubs, lifts, beds)		9	\$ 4,500	\$ 38,400	
DME-other (cranial banding, standing frame, other)	26	\$ 2,500	\$ 64,000		
Formula and supplies	25	\$ 20	\$ 491		
Gastric restrictive/morbid obesity	181	\$ 16,073	\$ 2,914,631		
Hospitalization	65	\$ 11,099	\$ 722,142		
Insulin pump	3	\$ 4,900	\$ 15,680		
Liposuction, lipectomy	26	\$ 6,875	\$ 175,987		
Mammoplasty	95	\$ 8,003	\$ 759,751		
Muscle stimulators	9	\$ 450	\$ 3,840		
Office visit	7	\$ 128	\$ 959		
Other professional services (chiropractic, acupuncture, biofeedback)	3	\$ 854	\$ 2,732		
Other services	293	\$ 138	\$ 40,512		
Outpatient services	5	\$ 546	\$ 2,910		
Reconstruction/jaw	81	\$ 8,014	\$ 649,668		
Speech, occupational or physical therapy	97	\$ 460	\$ 44,651		
Vein sclerotherapy	33	\$ 273	\$ 9,027		
Wheelchair, scooters	14	\$ 2,918	\$ 40,463		
		\$ 4,043	\$ 5,517,973		

Fig. 10

Service	Average Cost Per Service	Data Source	Data Detail
Blepherooplasty	\$ 5,020	The American Society for Aesthetic Plastic Surgery, Cosmetic Surgery National Data Bank, 2001 Statistics	Physician & surgeon fees from data source. Added approx. 50% to cost to account for facility/hospital, anesthesia and other associated costs. Confirmed with data presented as national statistics for 2001 on www.infoplasticsurgery.com/cost.html as well as fee schedules cited by other plastic surgery sites.
DME-large (e.g. hot tubs, lifts, beds)	\$ 4,500	Average retail estimate	
DME-other (cranial banding, standing frame, other)	\$ 2,500	Average retail estimate	
Formula and supplies	\$ 20	Average retail estimate	
Gastric restrictive/morbid obesity	\$ 16,073	Insurance Company Data Most Market Data, AHQR Q401	Facility cost per admit of \$9644. For surgical, assumption of ratio of 60:40 facility to professional fees.
Home health care	\$ 819	Health Plan Trend Analysis, Insurance Company Most Markets - HMO/POS/PPO Insured, 2001	Cost per unit=\$273; Average # of units=3 (Estimated. Real data to be entered when available.)
Hospitalization	\$ 11,099	Insurance Company data	
Insulin pump	\$ 4,900	Average retail estimate	
Liposuction, lipectomy (abdominoplasty)	\$ 6,875	The American Society for Aesthetic Plastic Surgery, Cosmetic Surgery National Data Bank, 2001 Statistics	Physician & surgeon fees from data source. Added approx. 50% to cost to account for facility/hospital, anesthesia and other associated costs. Confirmed with data presented as national statistics for 2001 on www.infoplasticsurgery.com/cost.html as well as fee schedules cited by other plastic surgery sites.
Mammoplasty	\$ 8,003	Treatment cost calculator	
Muscle stimulators	\$ 450	Average retail estimate	
Office visit	\$ 128	Insurance Company data	
Other inpatient care (skilled nursing, rehabilitation)	\$ 6,837	Health Plan Trend Analysis, Insurance Company Most Markets - HMO/POS/PPO Insured, 2001	Cost per day=\$430; Average LOS=15.9 days
Other professional services (chiropractic, acupuncture)	\$ 854	Insurance Company data	Average request for 12 visits (benefit maximum of 20 per year).
Other services (radiology, lab, other)	\$ 138	Insurance Company data	
Outpatient services	\$ 546	Insurance Company data	
Reconstruction/law	\$ 8,014	American Society of Cosmetic Surgery	1998 value, inflated to 2001 dollars
Rhinoplasty, septoplasty	\$ 5,884	Treatment cost calculator	
Speech, occupational or physical therapy	\$ 460	Treatment cost calculator	Assuming approximately 10 visits
Vein ligation	\$ 7,773	Insurance Company Most Market Data, AHQR Q401	Facility cost per admit of \$4,644. For surgical, assumption of ratio of 60:40 facility to professional fees.
Vein sclerotherapy	\$ 273	The American Society for Aesthetic Plastic Surgery, Cosmetic Surgery National Data Bank, 2001 Statistics	Physician & surgeon fees from data source. No facility fees added as procedure is injection. Confirmed with data presented as national statistics for 2001 on www.infoplasticsurgery.com/cost.html.
Wheelchair, scooters	\$ 2,918	Average retail price (3/4-wheel models)	

Fig. 11

Productivity and Revenue Impact	
Total Health Plan Enrollment	16,000,000
Patients Served	
<i>Welcome Home!</i>	24,011
<i>Impact</i>	38,133
<i>Predictive Model</i>	54,101
Total Patients Served	116,245
Patients with Saved Days by Intervention	
<i>Welcome Home!</i>	39,618
<i>Impact</i>	62,539
<i>Predictive Model</i>	14,607
Total Days Saved	116,764
Total Hours Saved	
<i>Welcome Home!</i>	316,941
<i>Impact</i>	500,309
<i>Predictive Model</i>	116,859
Total Hours Saved	934,109
Productivity (Wages & Compensation) Saved	
<i>Welcome Home!</i>	\$ 6,880,785
<i>Impact</i>	\$ 10,861,716
<i>Predictive Model</i>	\$ 2,537,006
Total Productivity Saved	\$ 20,279,507
Revenue Gain	
<i>Welcome Home!</i>	\$ 10,321,177
<i>Impact</i>	\$ 16,292,573
<i>Predictive Model</i>	\$ 3,805,509
Total Revenue Gained	\$ 30,419,260
Total Savings	\$ 50,698,767
Total Monthly Savings	\$ 4,224,897
PMPM Savings	\$ 0.26

Fig. 12

Productivity & Revenue Impact Data Elements		
Welcome Home!		
"How much do you agree or disagree that the assistance provided by the UnitedHealthcare nurse helped you return to work sooner?"	Percent Responding	Cummulative Total
Default		33%
Strongly /Somewhat agree	33%	33%
Neither agree nor disagree	36%	
Strongly /Somewhat disagree	28%	
Days Saved Per Person		
Default		5
Option A: days saved=1		1
Option B: days saved=2		2
Option C: days saved=3		3
Option D: days saved=4		4
**Option E: days saved=5		5
Option F: days saved=6		6
**Average saved as reported in 2002 survey.		
Hours Worked Per Day	Hours Per Week	Hours Per Day
Default		8
Insurance company employment expectation	40	8
National Compensation Survey: Occupational Wages in the United States, 2000	35.8	7.16
Compensation (wages plus benefit costs)		
Default	\$	21.71
News, United States Department of Labor, Bureau of Labor Statistics, Release Wednesday, June 19, 2002 "Employer Costs for Employee Compensation - March 2002":		
All private industries	\$	21.71
Goods-producing: construction	\$	25.35
Goods-producing: manufacturing	\$	25.20
Service-producing: transportation and public utilities	\$	29.65
Service-producing: wholesale trade	\$	23.36
Service-producing: retail trade	\$	11.79
Service-producing: finance, insurance, real estate	\$	28.24
Service-producing: services	\$	22.33
Revenue Factor		
Default		1.50

Fig. 13

Reminder Program Summary

Total Health Plan Enrollment	16,000,000
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	Annual Reminders by Disease Area	Annual Savings by Disease Area
Cervical Cancer	525,192	\$ 13,293,961
Diabetes	119,463	\$ 27,416,690
Mammograms	405,754	\$ 69,664,920
Immunizations	20,390	\$ 1,953,722
Influenza Vaccine	292,943	\$ 97,130,422
Total Number of Reminders - All Disease Areas	1,363,742	
Total Savings - All Disease Areas		\$ 209,459,715
Total Monthly Savings - All Disease Areas		\$ 17,454,976

PMPM Savings for Reminder Program - All Areas	\$ 1.09
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Fig. 14

Reminder Program: Cervical Cancer

Number of members eligible for PAP smear	1,780,311
Percent of members screened through routine care	0.705
Number of members screened through routine care	1,255,119
Percent of unscreened members contacted through reminder program	0.295
Number of unscreened members contacted through reminder program	525,192

Assumptions	
Percent of all members that will develop cervical cancer. Assumes risk is equal in screened and unscreened populations.	0.055
Average years of life left for woman aged 50. Assumes average age of woman with cervical cancer is 50.	32.5
Average cost for early stage cervical cancer per person	\$857
Average cost for advanced stage cervical cancer per person	\$24,228
Success rate of reminder program	0.640

Cost With No Intervention	
Number of unscreened members	525,192
Number of unscreened members that will develop cervical cancer	28,886
Cost of late-stage cervical cancer in unscreened population. Assumes all unscreened cases are late stage.	\$699,838,877

Cost With Intervention	
Number of unscreened members	525,192
Number of unscreened members getting screened following reminder	336,123
Number of newly screened members that will develop cervical cancer	18,487
Cost of early stage cervical cancer in screened population. Assumes all members receiving reminder will have PAP while in early stage.	\$15,843,141
Number of unscreened members	525,192
Number of unscreened members ignoring reminder	189,069
Number of unscreened members that will develop cervical cancer	10,399
Cost of late-stage cervical cancer in unscreened population. Assumes all unscreened cases are late stage.	\$251,941,996
Total cost of cervical cancer after reminder mailed	\$267,785,137

Savings From Reminder Program over Lifetime	\$432,053,740
Annual Savings From Reminder Program*	\$13,293,961

*Assumes life expectancy is 32 years for average aged woman receiving PAP.

Fig. 15